

MAY 16, 2011

CALL TO ORDER

The regular monthly Council meeting of the City of Saint Marys was called to order by Mayor Sally Geyer on Monday, May 16, 2011 at 7:00 p.m. The meeting was held in the Council Room of City Hall, 11 LaFayette Street. Notice of this meeting was sent to Council on May 12, posted at City Hall, and published in the Daily Press.

ROLL CALL

Present: Mayor Sally Geyer, Dennis Nero, Richard Gabler, Jr., Daniel Hepner, Richard Dornisch, Steven Skok, Manager David Greene, and Solicitor Mark Jacob. Bob Roberts was excused.

VISITORS

Visitors included: Warren Stewart, Jerry Marshall, Robert R. Goetz, Tina Gradizzi, Fred Haas, Harry Bise, Jr., Dean Hansen, Paula Hansen, Dan Fleming from Second Sun Oil and Gas, Richard Sadley, Mike Brock, Ned Jacob, Steve and Yvonne Michuck. Matt Pfeufer, Zoning Officer, did not sign in.

APPROVAL OF MINUTES
May 2, 2011

Daniel Hepner made a motion to approve the minutes of May 2, 2011, seconded by Dennis Nero, and all were in favor, except Steven Skok, who abstained.

REPORT ON EXECUTIVE SESSION:

An Executive Session was held immediately after the May 2, 2011 Council meeting regarding legal matters. No decisions were made.

PUBLIC HEARING: Proposed expansion of City's Redevelopment District
Tina Gradizzi, Community and Economic Development Coordinator

Mayor Sally Geyer opened the public hearing at 7:01 p.m.

Tina Gradizzi, Community and Economic Development Coordinator, explained the public hearing was to discuss the proposed Redevelopment District expansion and address any questions or concerns from the affected property owners.

A public hearing was also held earlier in the morning (10:00 a.m.) to provide the opportunity for comment for those who could not attend this public hearing. Council was provided with the minutes of the 10:00 a.m. public hearing.

Ms. Gradizzi further explained the Redevelopment Authority received 30 percent of the 2010 CDBG funding to address slum/blight and spot blight issues of business facades in the current Redevelopment District. The Redevelopment Authority has a Facade Program that offers funding to business owners for the purchase of materials to address façade deficiencies. The businesses would have to commit to the funds for the labor portion of the project. In order to continue with the program for some of the business owners who have contacted the RDA, they have requested the expansion of the Redevelopment District to be able to utilize CDBG funding.

Ms. Gradizzi explained that many property owners were concerned with the value of their property decreasing if the area was designated slum/blight and Eminent Domain was also a concern. She stated contacts were made to local banks and appraisers. The banking industry bases their lending on the appraised value. The designation should have no bearing on a property value.

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Eminent Domain can happen anywhere within the City. The purpose of the expansion is strictly to use CDBG monies to assist businesses with façade deficiencies. The expansion proposes to include the right side of Washington Street and the right side of Bruxelles Street.

Comments

Ms. Gradizzi then requested any comments.

Paula Hansen questioned how far out Washington Street the proposed expansion would go? Ms. Gradizzi explained all of the affected property owners received notification by mail. Mrs. Hansen also questioned if the funding was for a low interest loan and if it included home owners? Ms. Gradizzi responded the grant funding was for businesses only.

Ms. Gradizzi stated the plan that would be submitted to DCED is only good for 10 years or when the deficiencies listed in the plan were completed.

Councilman Gabler commented after the ten year expiration, the expansion will revert back to the original Redevelopment Area.

Councilman Dornisch stated his concerns with the language of slum and blighted areas and believed the current Redevelopment Area should be addressed.

Ms. Gradizzi responded the terminology of slum and blighted area was used because of the CDBG funding.

Councilman Gabler commented the expansion didn't seem to indicate a decrease in the value of a property.

Fred Haas commented on a problem with a recent weatherization project. It was determined that it was a separate issue.

Robert Goetz was concerned about an increase in insurance with a designation of a blighted area and Ms. Gradizzi responded at the earlier public hearing a representative from State Farm insurance indicated that it would not increase insurance. He also questioned if rental properties could be included and it was determined they could be included if the property was also in the Central Business District.

Paula Hansen again approached and questioned what area was contained within the Central Business District.

Councilman Dornisch commented he did not agree with the term Eminent Domain. He also was against having any public meeting during working hours. It was determined the earlier public hearing was the first portion of the current public hearing.

Steve Skok commented his property is located in the current Redevelopment District and it did not affect his insurance.

Dean Hansen approached and had numerous questions regarding rental properties within the current Redevelopment District and the criteria to qualify for a

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project.

Manager Greene commented the RDA was trying to "match" the current Central Business District with the Redevelopment District.

Hearing Closed

Mayor Geyer closed the public hearing at 7:25 p.m.

**CITIZEN COMMENTS ON
AGENDA TOPICS**

There were no citizen comments on agenda topics.

MANAGER'S REPORT

April 14- Attended a Parking Authority meeting to discuss the Parking Garage project.

April 19- Attended a workshop on Redeveloping Blighted Properties held at North Central Regional Planning in Ridgway.

April 20- Attended a Parking Garage construction meeting held at the job site.

April 20- Met with Dean Ball from PennDOT to discuss the South St. Marys Road project.

April 21- Attended the Elk County Earned Income Tax Collectors meeting held at the Fox Township Municipal building.

April 27- Attended the full board meeting of the North Central Regional Planning and Development Commission.

May 4- Attended a Parking Garage construction meeting held at the job site.

May 5- Attended the annual AHUG Dinner held at the Red Fern. Senator Scarnati was the guest speaker.

May 11- Attended the CEDS meeting held at North Central Regional Planning in Ridgway.

Mayor Geyer questioned if PennDOT was planning to start the South St. Marys Road project this year and Manager Greene responded they would probably start contacting homeowners within the project area. Manager Greene also commented originally PennDOT and the federal government had indicated they would pay 50 percent of the replacement cost for sanitary sewer lines. The City has now received correspondence that they will no longer pay the 50 percent, which implies the City would have to pay 100 percent of the cost, if the City chooses to replace the sanitary sewer lines. PennDOT has stated they would be very cautious during construction, if the City decided to not replace the lines.

Councilman Nero asked if the Manager knew what phase of the project would start first and Manager Greene responded the Fox Township portion may be first.

APPROVAL OF EXPENDITURES

Dennis Nero made a motion to approve the Expenditures from April 17, 2011 to May 15, 2011, seconded by Steven Skok.

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Councilman Dornisch questioned if a \$6500.00 line item was put out for bid and Manager Greene responded quotes would have been received.

Councilman Skok commented there were two line items for heat, because one is from Open Flow Energy, which supplies the gas, and the other is for the delivery charge.

All were in favor to approve the Expenditures.

TREASURER'S REPORT

Mayor Geyer presented the following Treasurer's Report as of April 30, 2011:

As of the end of April 16.35 percent was collected of the Real Estate Tax revenue, down from last year of 18.35 percent and in 2009 17.17 percent was collected. Earned Income Tax collected as of April 30, 2011 is at 26.24 percent down from last year of 28.26 percent and in 2009 27.36 percent was collected. On May 10 of this year, \$2,654,232.00 was collected in Real Estate Taxes and last year \$2,241,955.00 was collected. There was an increase in market value for the pension funds this month.

LEGISLATIVE ACTION**Consider for Adoption:**

Resolution No. 11-8, re: Proposed expansion of the 2011 Redevelopment District

Resolution No. 11-8 was presented certifying additional blighted areas within the City to address Commercial and Retail façade deficiencies.

Motion Died

Daniel Hepner made a motion to adopt Resolution No. 11-8, seconded by Steven Skok. Three were in favor and three were opposed. Because of a tie vote the motion died.

Subdivision Application, re: Gerry M. Fritz Estate, West Creek Road

A subdivision application was presented for the Gerry Fritz Estate, for property located on West Creek Road. This subdivision proposes several side lot additions and consolidation. There are no new building lots created as a result of this subdivision. Lot 1 (0.79 acres) is being subdivided from parcel #13-13-011-3423 to be used as a side lot addition to the parcel to the north owned Brem, which contains a single family dwelling. Lot 2 (0.81 acres) is being subdivided from parcel #13-13-011-3514, which is currently vacant, and is also to be used as a side lot addition to Lot 1 and the Brem parcel to the north. Lot 3 (0.79 acres) which is the residual parcel #13-13-011-3514, is to be a front lot addition to parcel #13-13-011-3446. In the subdivision title, the "M" is misplaced; the deed references for the parcels need to be on the plat. These changes have been made to the recordation maps. The Planning Commission had no comments on the subdivision and recommended approval.

Motion Passed

Richard Dornisch made a motion to approve the subdivision application for the Gerry M. Fritz Estate, seconded by Dennis Nero, and all were in favor.

Revised Zoning Ordinance
Amendment for Oil and Gas
Development

Matthew Pfeufer, Zoning Officer, explained since the last Council meeting the Planning Commission met on May 3rd, 2011 and further revised the Zoning Ordinance Amendment for Oil and Gas Development. The 10 acre minimum lot size was removed from the Rural

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Conservation District. Section 459.6 was added, which specifies the minimum lot size for the development will be determined by City Council as part of the conditional use approval process in order to protect the public's health, safety, and welfare.

Motion

Daniel Hepner made a motion to approve the wording of the proposed revised Zoning Ordinance Amendment for Oil and Gas Development, seconded by Dennis Nero.

Discussion

Steven Skok questioned why the 10 acre minimum lot size was a concern and Daniel Hepner responded, as stated in the Oil and Gas Act, the City cannot dictate the technical aspect of Oil and Gas Development. Councilman Hepner also stated the 10 acre minimum lot size could be considered discriminatory, since a shallow well drilling pad could be as small as 100 feet by 75 feet.

Motion Passed

All were in favor to accept the revised wording.

Comments

Councilman Nero commented Council still has to decide on whether to have a consultant review the wording.

Councilman Hepner and Solicitor are attending an Oil and Gas seminar on June 7th and would report back to Council with any new information they obtained. Since Solicitor Jacob recommended the amendment be reviewed by a consultant, he and Councilman Hepner would utilize the seminar for possible contact information.

Sale of Effluent Water from the
Wastewater Treatment Plant

Manager Greene explained he, Michael Mullaney, and Lad Kornacki met with the Municipal Authority regarding the sale of effluent water from the Wastewater Treatment Plant. Second Sun Oil and Gas, LLC representatives also attended the meeting and presented a proposal to the Municipal Authority to purchase effluent water from the Wastewater Treatment Plant for a driller, EOG Resources. Second Sun Oil and Gas, LLC would be the broker to purchase the water. The Municipal Authority was asking Council's permission to proceed with the project.

Council had a brief discussion regarding the details of the agreement and if the City or the Municipal Authority should be in control of the project.

Motion Passed

Dennis Nero made a motion to keep the sale of effluent water from the Wastewater Treatment Plant in "City hands", seconded by Daniel Hepner, and all were in favor, except Richard Dornisch, who opposed. The motion passed.

Appointment of City Manager as
"Chief Administrative Officer" for the
City's Pension Plans

Manager Greene explained the Auditor for the City's Pension Plans recently indicated the City Manager needed to be appointed by Council as "Chief Administrative Officer" for the City's Pension Plans by either Resolution or by motion.

Motion Passed

Steven Skok made a motion to appoint the City Manager as the "Chief Administrative Officer" for the

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City's Pension Plans, seconded by Richard Gabler, Jr., and all were in favor.

TOPICS FOR DISCUSSION

Elk County Judicial Sale on June 9, 2011

Manager Greene explained on June 9, 2011 at 10:00 a.m. the Judge has ordered a Judicial Sale for City properties that are behind multiple years on paying their real estate taxes. All liens will be removed from the properties and will be sold to the highest bidder. There are numerous properties in the City on Center Street that will be included in the Judicial Sale. He was requesting Council consider having the City place a bid on a property that was not bid on. This would let the City acquire the property for a minimal amount to ensure the property does not go back into "limbo". The City could then market and sell the properties to help expedite the properties being placed back on the tax rolls.

Motion

Richard Dornisch made a motion to place a bid on any Judicial Sale properties within the City that no one else has placed a bid on, seconded by Dennis Nero.

Discussion

Mayor Geyer commented the properties have been "in limbo" long enough.

Solicitor Jacob recommended the motion should include "not to exceed the minimum amount listed for Judicial Sale".

Amended Motion Passed

Richard Dornisch amended his motion to include "not to exceed the minimum amount listed for Judicial Sale", Dennis Nero amended his second, and all were in favor.

**CITIZEN COMMENTS
ON NON-AGENDA TOPICS**

Paula Hansen

Paula Hansen approached and asked how many of the Depot Street apartments were vacant and Manager Greene responded zero. There is actually a waiting list for the residential portion of rentals.

COUNCIL COMMENTS

Councilman Skok and Mayor Geyer both reminded resident's that tomorrow was Election Day and to please get out and vote.

ANNOUNCEMENTS

Mayor Geyer made the following announcements:

- The next Council worksession will be held Monday, June 6, 2011 at 7:00 p.m. at City Hall.

Proclamation

Mayor Geyer read and signed a Proclamation declaring the month of May as "Older Americans Month". The Proclamation will be presented at the "Picnic on the Porch" at the St. Marys Senior Center on May 26th, 2011.

ADJOURNMENT

Richard Gabler, Jr. made a motion to adjourn the meeting.


Recording Secretary

Mayor